

REPORT OF THE REVENUE POLICY SUBCOMMITTEE

(Bannister, Stavrinakis, Lowe, Hewitt & Crawford - Staff Contact: Julia Foster)

HOUSE BILL 5057 LOTTERY TICKET SALES

Summary of Bill:

This bill allows lottery retailers to sell lottery tickets through vending machines, which may also dispense certain prizes. It requires ID verification for purchases.

Estimated Fiscal Impact:

- **Upfront Cost:** SCEL estimates a one-time expenditure of \$10 million in FY 2026-27 to purchase 500 machines at roughly \$20,000 per unit, plus ongoing maintenance costs.
- **Projected Revenue Increase:** Vending machines are expected to boost gross lottery ticket sales by \$13.7M–\$36.3M in the first year (a 6.7%–10% sales lift), depending on machine placement strategy.
- **Net Education Lottery Proceeds:**
 - FY 2026-27 (after recouping upfront costs): +\$1M to +\$6.5M
 - FY 2027-28 and beyond: +\$3.4M to +\$9M annually (a 0.7%–1.9% increase over anticipated FY 2026-27 net proceeds of \$473.2M)

Subcommittee Action/Explanation:

Received FAVORABLE REPORT on March 26, 2026.

Full Committee Action/Explanation:

Other Notes/Comments:



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 5057	Introduced on January 29, 2026
Subject:	Lottery Ticket Sales	
Requestor:	House Ways and Means	
RFA Analyst(s):	Tipton	
Impact Date:	March 31, 2026	

Fiscal Impact Summary

This bill authorizes the sale of lottery tickets through lottery ticket vending machines at lottery retailers in the state. The bill further states that the lottery ticket vending machines may distribute prizes up to the amount the lottery retailer is authorized to distribute, and the machines must require ID verification before purchase. It is currently unlawful for a lottery retailer to maintain a lottery ticket vending machine for direct use by consumers.

The SC Education Lottery Commission (SCEL) estimates this bill will increase non-recurring expenditures for the agency by approximately \$10,000,000 in FY 2026-27 for the purchase of 500 lottery ticket vending machines at a price of \$20,000 per unit to place in retail locations across the state. SCEL notes the actual expense related to the purchase of the vending machines will depend upon specific retail requirements, specifications, the outcome of the commission's request for proposal (RFP), and compliance with the procurement process. The commission also notes that there will be a recurring expense for maintenance and repair of the machines. SCEL anticipates these expenses will be offset by the additional lottery ticket sales revenue generated as a result of the implementation of lottery ticket vending machines.

SCEL anticipates that the implementation of lottery ticket vending machines will increase gross lottery ticket sales. Based on an analysis of internal sales data as well as data from other lottery jurisdictions provided by SCEL, the commission anticipates the strategic implementation of 500 vending machines will increase gross lottery ticket sales by between \$13,700,000 and \$36,300,000 in the first twelve months of implementation. Initially, the additional revenue will be used to offset the one-time expense incurred from the purchase of the lottery ticket vending machines. SCEL reports that in the first full year of implementation beginning in FY 2026-27 after the initial expense has been recouped, this bill will increase net Education Lottery proceeds available for appropriation by between \$1,000,000 and \$6,500,000. Beginning no later than during FY 2027-28, SCEL anticipates an increase in net Education Lottery proceeds available for appropriation by between \$3,400,000 to \$9,000,000. This represents an increase of between 0.7 and 1.9 percent over the anticipated FY 2026-27 net proceeds available for appropriation of \$473,200,000. Please note, these estimates are based on current player habits and the commission's expectation that current and new lottery players will prefer lottery ticket vending machines over the current point-of-sale process at a manned retail counter. The actual revenue impact will depend upon the total increase in ticket sales and may vary from this analysis.

Explanation of Fiscal Impact

Introduced on January 29, 2026

State Expenditure

This bill authorizes the sale of lottery tickets through lottery vending machines at lottery retailers in the state. Currently, it is unlawful for a lottery retailer to maintain a lottery ticket vending machine for direct use by consumers. The bill further states that the lottery ticket vending machines may distribute prizes up to the amount the lottery retailer is authorized to distribute, and the machines must require ID verification before purchase. The bill defines lottery ticket vending machine means a self-service, automated kiosk that allows the purchase of lottery tickets.

SCEL indicates that under the bill, the commission will be responsible for purchasing the lottery ticket vending machines and placing them in retail locations. While the actual cost of the vending machines will depend upon specific retail requirements, specifications, and the RFP process, the commission anticipates an approximate cost of \$20,000 per unit. SCEL further anticipates purchasing 500 units to strategically place at retail locations across the state, resulting in a non-recurring expense of \$10,000,000 for SCEL in FY 2026-27. The commission also notes that there will be a recurring expense for maintenance and repair of the machines. The commission indicates that these expenses will be offset by the additional lottery ticket sales revenue generated as a result of the implementation of lottery ticket vending machines.

State Revenue

This bill authorizes the sale of lottery tickets through lottery vending machines at lottery retailers in the state. The bill further states that the lottery ticket vending machines may distribute prizes up to the amount the lottery retailer is authorized to distribute, and the machines must require ID verification before purchase. It is currently unlawful for a lottery retailer to maintain a lottery ticket vending machine for direct use by consumers.

This bill is expected to increase lottery revenue available for appropriation in FY 2026-27, based on the commission's expectation that the implementation of lottery ticket vending machines will generate additional lottery ticket sales. SCEL provided an analysis based on lottery sales data within the state as well as data from other lottery jurisdictions that introduced lottery vending machines. Based on SCEL's analysis, lottery ticket vending machines are expected to increase lottery ticket sales of between 6.7 and 10 percent in the first full year of implementation. SCEL estimates that if the 500 vending machines are distributed among retailers in the middle 50 percent of sales and lottery sales increase by 6.7 percent, the aggregate increase in gross ticket sales will be \$13,700,000. If SCEL chooses to implement the lottery vending machine units at retailers in the top 70 percent of overall sales and assuming a 10 percent sales lift, the expected gross ticket sales increase will be approximately \$36,300,000. Thus, SCEL anticipates that implementing lottery ticket vending machines under this bill will increase lottery sales by between \$13,700,000 and \$36,300,000 in the first full year of implementation. This represents an increase in total lottery sales by approximately 0.6 percent to 1.6 percent over total gross sale revenue received in FY 2024-25.

SCEL has based this estimated increase on a number of factors, including prior sales performance among retailers that expanded their acceptable forms of payments to include debit cards as well as data from other lottery jurisdictions indicating consumer preferences towards self-service kiosks over manned retail counters.

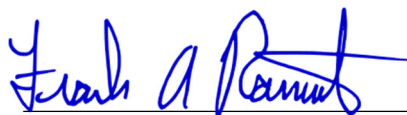
Initially, the additional sales revenue will be used to offset the one-time expense incurred for the purchase of the lottery ticket vending machines. SCEL reports that in the first full year of implementation beginning in FY 2026-27, after the initial expense has been recouped, this bill will increase net Education Lottery proceeds available for appropriation by between \$1,000,000 and \$6,500,000. Beginning no later than during FY 2027-28, SCEL anticipates that this bill will increase net Education Lottery proceeds available for appropriation by between \$3,400,000 to \$9,000,000. This represents an increase of between 0.7 and 1.9 percent over the anticipated FY 2026-27 net proceeds available for appropriation of \$473,200,000. Please note, these estimates are based on current player habits and the commission's expectation that current and new lottery players will prefer lottery ticket vending machines over the current point-of-sale process at a manned retail counter. The actual revenue impact will depend upon the total increase in ticket sales and may vary from this analysis.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director

South Carolina General Assembly
126th Session, 2025-2026

H. 5057

STATUS INFORMATION

General Bill

Sponsors: Reps. Ballentine, Cobb-Hunter and Taylor

Document Path: LC-0513SA26.docx

Introduced in the House on January 29, 2026

Currently residing in the House Committee on **Ways and Means**

Summary: Lottery Ticket Sales

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
1/29/2026	House	Introduced and read first time (House Journal-page 13)
1/29/2026	House	Referred to Committee on Judiciary (House Journal-page 13)
3/24/2026	House	Recalled from Committee on Judiciary (House Journal-page 51)
3/24/2026	House	Committed to Committee on Ways and Means (House Journal-page 51)

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VERSIONS OF THIS BILL

01/29/2026

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A BILL

11 TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 59-150-420 SO
12 AS TO PROVIDE THAT LOTTERY RETAILERS MAY USE CERTAIN LOTTERY TICKET
13 VENDING MACHINES; AND BY AMENDING SECTION 12-21-2710, RELATING TO TYPES OF
14 MACHINES AND DEVICES PROHIBITED BY LAW, SO AS TO PROVIDE FOR AN
15 EXCEPTION.
16

17 Be it enacted by the General Assembly of the State of South Carolina:

18

19 SECTION 1. Chapter 150, Title 59 of the S.C. Code is amended by adding:

20

21 Section 59-150-420. Notwithstanding any other provision of law, the commission shall permit a
22 lottery retailer to sell lottery tickets through lottery ticket vending machines. The lottery ticket vending
23 machines also may distribute prizes up to the amount the lottery retailer is authorized to distribute.
24 Lottery ticket vending machines must require ID verification before purchase. The provisions of this
25 chapter are applicable to the use of lottery ticket vending machines. For purposes of this section,
26 “lottery ticket vending machine” means a self-service, automated kiosk that allows the purchase of
27 lottery tickets.
28

28

29 SECTION 2. Section 12-21-2710 of the S.C. Code is amended to read:

30

31 Section 12-21-2710. (A) It is unlawful for any person to keep on his premises or operate or permit
32 to be kept on his premises or operated within this State any vending or slot machine, or any video game
33 machine with a free play feature operated by a slot in which is deposited a coin or thing of value, or
34 other device operated by a slot in which is deposited a coin or thing of value for the play of poker,
35 blackjack, keno, lotto, bingo, or craps, or any machine or device licensed pursuant to Section
36 12-21-2720 and used for gambling or any punch board, pull board, or other device pertaining to games
37 of chance of whatever name or kind, including those machines, boards, or other devices that display
38 different pictures, words, or symbols, at different plays or different numbers, whether in words or
39 figures or, which deposit tokens or coins at regular intervals or in varying numbers to the player or in
40 the machine, but the provisions of this section do not extend to coin-operated nonpayout pin tables,
41 in-line pin games, or to automatic weighing, measuring, musical, and vending machines which are

1 constructed as to give a certain uniform and fair return in value for each coin deposited and in which
2 there is no element of chance.

3 (B) Any person violating the provisions of this section is guilty of a misdemeanor and, upon
4 conviction, must be fined not more than five hundred dollars or imprisoned for a period of not more
5 than one year, or both.

6 (C) This section does not apply to the development, manufacture, processing, selling, possessing,
7 provision of technical aid, or transporting of any printed materials, gaming equipment, devices, or other
8 materials, software, or hardware used or designated for use in out-of-state jurisdictions by a gaming
9 device manufacturer. A gaming device manufacturer is a manufacturing entity that is in good standing
10 with the South Carolina Secretary of State's Office, is registered with the United States Department of
11 Justice Gambling Device Registration Unit, is authorized to do business in the State of South Carolina,
12 and has all appropriate business licensure and zoning authorization necessary to operate a
13 manufacturing facility in the jurisdiction in which the manufacturing facility is located. Any
14 transportation of gaming devices authorized in this section must comply with all applicable federal
15 laws. This section may not be construed so as to prohibit communications between persons in this State
16 and persons involved with such legal lotteries or gaming devices relative to such printed materials,
17 equipment, devices, or other materials, software, or hardware.

18 (D) This section does not apply to the lottery ticket vending machines authorized by Section
19 59-150-420.

20
21 SECTION 3. This act takes effect upon approval by the Governor.

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